

FINANCE COMMITTEE MINUTES
APRIL 19, 2022

The Finance Committee meeting was held on April 19, 2022, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 8:41 p.m.

PRESENT: **Committee Members:** Chair Paul Marnecheck, Vice Chair Mike Wos, Linda Barath; **Council:** John Nickell, Dawn Carbone-McDonald, Joanne Krejci; **Administration:** Mayor Larry Antoskiewicz, Finance Director Jenny Esarey, Law Director Thomas Kelly, Police Chief Keith Tarase, Fire Chief Robert Chegan; **Other:** Ken Krejci, Marilyn Borzy, Paul Borzy, Michael McDonald, Jessica Fenos.

Approval of March 15, 2022 Finance Committee minutes. Moved by Mr. Marnecheck, seconded by Ms. Barath. Vote: Yeas: 3 Nays: 0 **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Ms. Esarey reported that Council received the monthly financial reports for March. Everything was in balance; all monthly reports were sent as well. She was pleased to say that the revenues are all in line with the budget, which was good news. Regarding expenses, we are operating within budget. However, there may be some amendments that are needed; we will continue to monitor. Overall, she felt that we are doing well.

2. Overtime

Ms. Esarey advised that we should have been at 25% at the end of March, in which we are at 29.98% overall. Some departments are somewhat over and some are under; in average we are where we need to be.

Mr. Marnecheck commented that we may have to dip into it due to the snow. Ms. Esarey concurred that one of the amendments that we have is due to snow removal. Mayor Antoskiewicz spoke about the small amount of over time, whereas they were out at 5 a.m. this morning; we are not on shifts anymore.

3. Jail Task Force Update

- **Proposed legislation – City of Berea 3-month extension agreement for leased jail cell**

Mayor Antoskiewicz provided an update. We are going to ask that this be put on second reading, because we are waiting on Parma Heights to do their due diligence and vote. Their Mayor wanted it to go three readings, in which they have one more reading. He reviewed our standard agreement for a lease for a jail cell, whereas they are guaranteed one bed every day for a year. Mr. Marnecheck wanted to clarify the cost, which he thought was \$155.00 per day. Mayor Antoskiewicz agreed; roughly.

Mr. Marnecheck pointed out that this aligns with Ordinance 22-80. Ms. Barath asked about any updates on the study. Mayor Antoskiewicz indicated there has been none, however, he will follow up.

Mr. Marnecheck moved to recommend Ordinance 22-80 for approval, after it has been on second reading. Seconded by Mr. Wos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

4. Local Income Tax Collection

Ms. Esarey explained that for the April, collections were over again. For the year, we are 11% over what was received last year. Mr. Marnecheck inquired whether next month may still be our biggest month. Ms. Esarey did not believe so. She went on to say that we know we are getting local for residential however, she believed the reason we are seeing such a big increase is due to a lot of work from home; people were seeing their increases

within their withholding. She thinks that will carry over monthly. It could be the biggest month. She indicated that we will see people that filed their locals; however, the larger increases are withholding, which is great.

Mr. Wos raised question if we are going to get a lump sum when those 10-A's for last year get processed; a form for an adjustment. Ms. Esarey clarified that we have our government Council meeting with RITA in June, whereas we should get a better date on that, however since the deadline was yesterday, it is going to take time to process those forms. We will then probably see some of those come in as well. She reminded that in the year 2022, all businesses have to withhold by where your work is; therefore, this is good for us.

5. RITA: Non-Filing Delinquency Program

Ms. Esarey summarized that we have not received the paperwork. She received an e-mail from RITA, in which they said we should be receiving those in May. Those would be discussed and brought to Council. She recommended that we look at the subpoena program; it is good to do that every few years.

6. Opioid Settlement

NO UPDATE.

7. American Recovery Act Funds

Ms. Esarey shared positive news. We received an extra \$6,287.05, because we had a re-allocation that was our portion; we will be able to use that money.

NEW BUSINESS

1. Buckeye Institute's lawsuit – Kilgore case

Mr. Kelly advised that the Supreme Court of the State of Ohio has determined to decline the requested certiorari petition as a result. The Court of Appeals decision from Franklin County stands for the moment. It stands for the proposition that the 2020 Taxes stay where they are. The 2020 are still up in the air. 2021 was deemed more by the Bill that was passed for July, and that was basically not a requirement. There are guidelines on how to file and then put the requirement in that House Bill 197; required on 1/1 to withhold where you preform work. He continued that 2022 are fixed. We still have some lack of direction on the taxes for the year 2020, in terms of who is able to make recovery requests and who is not. Ms. Esarey helped clarify. There are however, a number of cases in other counties that may yet, force the Supreme Court to make a clear determination; if one of those cases comes in contradicting the court out of Franklin County.

Mr. Wos mentioned there is one for Cuyahoga right now. Ms. Esarey reminded all that we are talking about is a couple hundred dollars for us. Right now, it is not a large amount for 2020 that we are looking at; which is positive.

KEEP ON AGENDA

2. Proposed Ordinance: Fund transfer –Improvement Holding Fund & Building Construction Bond Fund to General Fund

Ms. Esarey explained that this entails a couple of funds. It is the Deposit Escrow Funds; they are sitting in the 763 and 766. Basically, the ORC requires that any transfer from any other fund other than the General Fund, has to have a separate ordinance, which is why this is being presented; therefore, making sure that we are compliant with the ORC. She expressed that Mr. Jordan and his department had done a great job of doing the due diligence that was required to confirm these are forfeited moneys that would be allowed to be transferred to the General Fund.

Mr. Marnecheck moved to recommend the approval of Ordinance 22-72. Seconded by Mr. Vos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

3. Proposed Ordinance: Fund transfer – Street Construction, Maintenance and Repair Fund #211 to Wastewater Maintenance Fund #552

Ms. Esarey indicated this is a transfer for the same reason; we must have a separate ordinance. There was a memo that Council was looking at with items that were purchased by Waste Water, an Enterprise Fund, that are actually being used by the Service Department. She explained that since the Enterprise fund operates that way, we have to make the Enterprise whole for these vehicles. Therefore, for the street sweeper, loader, and two trucks that we had looked at the purchase price, along with any maintenance and repair costs that the Service Department had paid along with depreciation costs; it was determined that \$184,286.04 would be transferred from the Street Fund to the Waste Water Maintenance Fund to make that whole. Ms. Esarey made all aware of this, as well as the Mayor. This way everything is taken care of. We are paying back the Enterprise Fund as we should.

Mr. Marnecheck moved to recommend Ordinance 22-73 for approval. Seconded by Mr. Vos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

4. Proposed Ordinance: Tyler Technologies

Ms. Esarey reported that the City uses Munis, which is part of Tyler Technologies. When she received the invoice for the \$65,000, she was surprised at the high cost for annual maintenance. Therefore, she scheduled a call with our representative and conveyed this; finding out what are we utilizing. They went back and discovered we were not using everything that we were paying for. In order to receive the 20% discount that we were able to negotiate, we have to enter into a new amended agreement. With that, we would bring the price to \$52,391.00, which Ms. Esarey still felt was high; however, she would need more time to start looking at software. In order to get that adjustment, we have to enter into this amended agreement; nothing is going to change on our end other than paying less.

Ms. Vos questioned what this is used for. Ms. Esarey explained that it is for the Finance Department, for everything; such as reports, all general journal entries, accounts payable, and purchase orders. All departments have access to the software; therefore, they can look up account balances and transactions.

Mr. Marnecheck made mention that in 2023, we should try to evaluate other systems. Ms. Esarey commented perhaps this is the best thing, however, in her past experiences, this does seem a little high in price. She wanted to make sure that we are getting the best deal possible, which is why she went back to them about the \$65,000.

Mr. Marnecheck moved to recommend Ordinance 22-77 for approval. Seconded by Mr. Vos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

Ms. Esarey noted we were granted a 30-day extension, through the State Auditor's office on our gap financials and audit, in which she applied; with the Mayor's approval. She wants to make sure everything is as accurate as possible; nothing is wrong. With having a new person coming in not long ago, as she did in December, she felt she needed to do this. Our financials would normally be due May 31st, which is now extended to June 30th. The audit is 30 days following, which would be August 1st.

Mr. Marnecheck wanted to confirm that we have not needed legislation to accept the audit, to give plenty of time; recess is in August. Ms. Esarey clarified that nothing is needed. She indicated there would be an exit audit conference as a closed session; it is not a public meeting. That would probably be sometime in July anyhow.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Ms. Barath to **adjourn the April 19, 2022 Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 9:00 p.m.